the basis of excess realisation made by the factory during the sugar season. Some of the States, however, were fixing without reference to Clause 5A, a price popularly known as State Advised Price (SAP) and insisting upon its payment in one instalment. This being not acceptable to Sugar manufacturing units in UP, they challenged it before a Bench of the Allahabad High Court. The Court, upholding the prce fixation formula prescribed under the Sugarcane Control Order, has declared SAP as illegal. It is, however, legally open to the sugarcane manufacturers and the sugarcane growers to have an agreed price.

(d) to (f) The Government have revised the Statutory Minimum Price for sugarcane with effect from 1.10.1996. It is fixed at Rs. 45.90 per quintal linked to a basic recovery of 8.5% subject to a premium of Rs. 0.57 for every 0.1% increase in recovery above this basic level.

Long Term Credit by MMTC for Imported Fertilizer

*218. SHRI S. AUSTIN: Will the Minister of COMMERCE be pleased to state:

(a) whether MMTC extends long-term credit to agents for its imported fertilizer in some States only;

(b) whether it is a fact that crores of rupees of MMTC funds are locked up by some fertilizer dealers in Anthra Pradesh for two years;

(c) whether no security has been taken from such fertilizer agents; and

(d) if so, reasons for this laxity;

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULI RAMAIAH): (a) to (d) No, Sir. MMTC only extend short term interest-free credit to parties against Bank Guarantee/Letter of Credit. This Policy is equally applicable to all States. Rs.2.50 crores is pending realisation from five dealers in Andhra Pradesh. No security was taken from the five dealers on the date the stocks were placed in their godowns. However, MMTC has since covered Rs.1.15 crores (approx.) through securities. The reasons for not taking adequate security at the first instance are being looked into.

Functioning of Metal Scrap Trading Corporation Limited

*219. SHRIMATI BASANTI SARMA:
DR. SHRIKANT RAM-CHANDRA JICHKAR:

Will the Minister of STEEL be pleased to state:

(a) whether Government are properly monitoring the functioning of the Metal Scrap Trading Corporation Ltd.

(b) if so, whether the Corporation has been making profits; is so, the profits for the last three years;

(c) in view of the policy of liberalisation whether the Government feel the necessity of the MSTC; and

(d) if so, the reasons therefor?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) Yes, Sir.

(b) MSTC Limited (formerly known as Metal Scrap Trade Corporation Ltd.) is continuing to make profits. The profit before tax earned by it during the last 3 years has been as under:

Year	Profit Before tax (Rs. in crores)
1993-94	8.16
1994-95	8.52
1995-96	3.13

(c) and (d) The Company is playing a useful role in meeting the requirements of imported steel melting scrap of various users, particularly the small Electric Arc Furnace Units in the steel industry, and it would be in the interest of the country that MSTC continues to provide such service to the secondary steel sector. Besides, MSTC also provides well